

SENATE BILL 346

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2003 Regular Session
3r0880
CF 3r0881

By: **Senator McFadden (By Request - Baltimore City Administration)**

Introduced and read first time: January 31, 2003

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 12, 2003

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City - Tax Sales - Abandoned Property**

3 FOR the purpose of altering certain provisions regarding proceedings to foreclose the
4 right of redemption following a tax sale of certain abandoned property in
5 Baltimore City to provide the Mayor and City Council of Baltimore the
6 discretion to request a deficiency judgment; prohibiting a person from filing to
7 reopen a judgment foreclosing rights of redemption with respect to certain
8 abandoned property in Baltimore City based on inadequate notice; limiting the
9 damages in certain actions regarding foreclosure of rights of redemption
10 following a tax sale of certain abandoned property in Baltimore City; and
11 generally relating to the tax sales of certain abandoned property in Baltimore
12 City.

13 BY repealing and reenacting, with amendments,
14 Article - Tax - Property
15 Section 14-817(c), 14-835(a), 14-844(e), and 14-845
16 Annotated Code of Maryland
17 (2001 Replacement Volume and 2002 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - Property

14-817.

(c) (1) In Baltimore City, abandoned property consisting of either a vacant lot or improved property cited as vacant and unfit for habitation on a housing or building violation notice may be sold for a sum less than the total amount of:

(i) all taxes on the property that are certified to the collector under § 14-810 of this subtitle;

(ii) interest and penalties on the taxes; and

(iii) expenses incurred in making the sale.

(2) The collector shall establish a minimum bid for abandoned property sold under this subsection.

(3) The person responsible for the taxes prior to the sale shall remain liable to the collector for the difference between the amount received in the tax sale under this section and the taxes, interest, penalties, and expenses remaining after the sale.

(4) The balance remaining after the tax sale shall be included in the amount necessary to redeem the property under § 14-828 of this subtitle.

(5) In a proceeding BROUGHT BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY to foreclose the right of redemption under this subtitle, the complaint [shall] MAY request a judgment for the city in the amount of the balance.

(6) The balance remaining after the tax sale is no longer a lien on the property when:

(i) a judgment is entered foreclosing the owner's right of redemption;

(ii) the deed is recorded; and

(iii) all liens accruing subsequent to the date of sale are paid in full.

(7) The Mayor and City Council may institute a separate action to collect the balance at any time within 7 years after the tax sale if the plaintiff is a private purchaser.

14-835.

(a) A person shall file a complaint in the circuit court for the county in which the land is located, that states:

(1) the fact of the issuance of the certificate of sale;

1 (2) a description of the property in substantially the same form as the
2 description appearing on the certificate of tax sale and, if the person chooses, any
3 description of the property that appears in the land records;

4 (3) the fact that the property has not been redeemed by any party in
5 interest;

6 (4) a request for process to be served on the defendants named in the
7 complaint;

8 (5) a request for an order of publication directed to all parties in interest
9 in the property;

10 (6) a request that the court pass a judgment that forecloses all rights of
11 redemption of the defendants and any other person having any interest in the
12 property;

13 (7) a description of the amount necessary for redemption including the
14 amount paid out at the tax sale; and

15 (8) AT THE OPTION OF THE PLAINTIFF, IN A FORECLOSURE
16 PROCEEDING BROUGHT BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY for
17 [vacant and] abandoned property [in Baltimore City] sold [to Baltimore City] for a
18 sum less than the amount due under § 14-817 of this subtitle, a request that the court
19 pass a judgment for the City and against the person liable for the taxes prior to the
20 sale in the amount of the unpaid taxes, interest, penalties, and expenses otherwise
21 due in a tax sale.

22 14-844.

23 (e) In Baltimore City where abandoned property has been sold for a sum less
24 than the amount due under § 14-817 of this subtitle, in a foreclosure proceeding
25 brought by the Mayor and City Council, the final order [shall] MAY include a
26 judgment in favor of the city and against the person liable for taxes prior to the sale,
27 in the amount of the unpaid taxes, interest, penalties, and expenses otherwise due in
28 a tax sale.

29 14-845.

30 (a) A court in the State may not reopen a judgment rendered in a tax sale
31 foreclosure proceeding except on the ground of lack of jurisdiction or fraud in the
32 conduct of the proceedings to foreclose; however, no reopening of any judgment on the
33 ground of constructive fraud in the conduct of the proceedings to foreclose shall be
34 entertained by any court unless an application to reopen a judgment rendered is filed
35 within 1 year from the date of the judgment.

36 (b) If the judgment of the court foreclosing all rights of redemption is set aside,
37 the amount required to redeem is the amount required by this subtitle, and in
38 addition, the reasonable value, at the date the judgment is set aside, of all
39 improvements made on the property and all costs incurred with respect to

1 development of the property by the purchaser and the purchaser's successors in
2 interest.

3 (c) [(1)] In Baltimore City, with respect to abandoned property THAT IS
4 SUBJECT TO § 14-817(C) OF THIS SUBTITLE [, an action to reopen a judgment or to
5 recover damages on the ground of constructive fraud or inadequate notice shall be
6 filed within 3 years from the date of judgment.

7 (2) Damages in an action under paragraph (1) of this subsection may not
8 exceed the fair market value of the property at the time of sale]:

9 (1) A DEFENDANT OR ANY PERSON DESCRIBED IN § 14-836(B)(4)(I) MAY
10 FILE AN ACTION TO RECOVER DAMAGES ON THE GROUND OF INADEQUATE NOTICE
11 WITHIN 3 YEARS AFTER THE DATE OF JUDGMENT FORECLOSING RIGHTS OF
12 REDEMPTION;

13 (2) DAMAGES IN AN ACTION UNDER ITEM (1) OF THIS SUBSECTION MAY
14 NOT EXCEED THE FAIR MARKET VALUE OF THAT PERSON'S INTEREST IN THE
15 PROPERTY AT THE TIME OF THE SALE; AND

16 (3) A PERSON MAY NOT FILE TO REOPEN A JUDGMENT FORECLOSING
17 RIGHTS OF REDEMPTION BASED ON INADEQUATE NOTICE.

18 (d) A court in the State may not reopen a judgment rendered in a foreclosure
19 proceeding instituted by the Mayor and City Council of Baltimore City under former
20 Article 81, §§ 117 through 121 of the Code unless an application to reopen the
21 judgment is filed on or before June 30, 1987. After June 30, 1987, any judgment
22 rendered under former Article 81, §§ 117 through 121 of the Code shall be deemed
23 conclusively to have been ratified by all persons who might otherwise have grounds to
24 object to the judgment.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2003.